

ROCHESTER CITY COUNCIL

SPECIAL MEETING

SEPTEMBER 30, 2010

Present - President Warren, Councilmembers Conklin, Haag, McFadden, Miller, Ortiz, Palumbo, Scott, Spaul - 9

Absent - None - 0.

The Council President requested the Council to rise for a Moment of Silence.

Pledge of Allegiance to the Flag of the United States of America.

INTRODUCTION OF AND ACTION UPON LOCAL LAWS, ORDINANCES AND RESOLUTIONS

TO THE COUNCIL

Ladies and Gentlemen:

Ordinance No. 2010-346
Re: Midtown Revitalization Project:
Sale of Land to 80 South Clinton
LLC

Transmitted herewith for your approval is legislation related to the sale and development of land at South Clinton Avenue and Broad Street. This legislation will authorize the sale of a portion of 80 South Clinton Avenue (121.240-001-024.001) to 80 South Clinton LLC (members: Robert C. Morgan and David Christa).

The parcel of land at 80 South Clinton Avenue is owned by the City and currently comprises the Midtown Tower and part of the former Midtown Plaza. Two portions of this parcel (Lots 4 and 3 on the attached subdivision plan that are approximately 0.741 and 0.923 acres, respectively) will be sold for \$1 each to 80 South Clinton LLC (the "Developer"). City Council and the Rochester Urban Renewal Agency approved the subject parcels as disposition properties in the Urban Renewal Plan amended on November 9, 2009.

The redevelopment of the Tower and adjacent area includes 176 residential apartments, 24 luxury condominiums and approximately 94,000 square feet of office, retail and restaurant space. The tenants and owners of the project would occupy 436 parking spaces on Level C of the Midtown Parking Garage. The cost of the project is approximately \$70,000,000.

The developer is seeking assistance through the HUD Section 220 Mortgage Insurance Program to fund approximately \$37 million of the project. On October 1, 2010 new, more restrictive guidelines for the Section 220 program will become effective and will significantly impact the feasibility of the proposed project. The developer has submitted a pre-application under the current FHA 220 guidelines in order to meet this deadline; however, they must demonstrate City-approved site control in order to be considered under the current guidelines. The proposed legislation would also formalize the selection of the Morgan/Christa team as the developer for the project.

Approval of the sale will contingent upon: 1) approval of the Project funding, including City Cash Capital funding for the residential apartment portion of the project in the amount of \$1,500,000; 2) approval of

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terms and conditions of the agreement relating to the 436 parking spaces allocated in the Midtown Parking Garage; and 3) compliance with Urban Renewal procedures.

Funding for the proposed apartments, office, retail, and restaurants in Midtown Tower is as follows (the cost of the condominiums is an additional \$12,000,000 and will be privately financed):

<u>Sources of Funds</u>	<u>Uses of Funds</u>		
FHA: Section 220 Loan	\$37,468,400	Acquisition	\$ 2
New Markets Tax Credits	12,618,691	Construction	40,277,671
ESDC Grant	1,200,000	Professional Services	1,225,024
City of Rochester	1,500,000	Finance Costs	2,221,191
Equity	<u>5,700,000</u>	Carrying Costs	1,795,361
Total	\$58,487,093	Project Contingency	4,866,328
		Fees/Permits	732,000
		Development Fees	2,400,000
		Reserves	1,995,023
		Working Capital	749,368
		Builder's Profit	<u>2,225,125</u>
		Total	\$58,487,093

The asbestos abatement and interior demolition of the Tower is virtually complete. The City is proposing the sale of the existing structural steel and concrete floor decking of the Tower and a portion of the adjacent former Plaza upon which the Developer will undertake the redevelopment program. Construction is anticipated to start in the summer of 2011 and be complete by the winter of 2012.

City Council previously endorsed a Blueprint Program funding application by 80 South Clinton LLC to the Empire State Development Corporation (ESDC) through Resolution No. 2010-5 on January 19, 2010. Though the application was not approved by the ESDC, the latter had approved an earlier Blueprint Program funding application in the amount of \$1.2M.

Respectfully submitted,
Robert J. Duffy
Mayor

Ordinance No. 2010-346
(Int. No. 390)

Authorizing The Sale Of Portions Of The Midtown Plaza Parcels

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby approves the sale of portions of SBL #121.240-001-024.001, constituting Lots 4 and 3 of the subdivision plan for the Midtown Plaza parcels that comprise approximately 0.741 and 0.923 acres, respectively, to 80 South Clinton LLC for the sum of \$1.00 each, for the redevelopment of the Midtown Tower and adjacent area. This sale shall be contingent upon funding being available in accordance with the proposed funding plan for the Project, approval of an agreement relating to parking at the Midtown Parking Garage, and compliance with urban renewal requirements.

Section 2. This ordinance shall take effect immediately.

Passed unanimously.

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The meeting was adjourned at 4:30 P.M.

DANIEL B. KARIN
City Clerk